

BIDDER QUALIFICATION STATEMENT
(SBA Loan Sale #3)

To: United States Small Business Administration

Date: _____, 2000

Ladies and Gentlemen:

The United States Small Business Administration ("SBA") has decided to offer for sale certain loans, some of which may be delinquent or otherwise in default, and certain related servicing rights (collectively, the "Assets"). The undersigned understands and acknowledges that, before it will be allowed to obtain the bid materials for or otherwise participate in any such offering of the Assets, the undersigned is required to demonstrate, to the satisfaction of the SBA, that the undersigned meets certain requirements and, therefore, qualifies to participate in the offering (a "Qualified Bidder"). Accordingly, in order to establish that it is a Qualified Bidder, the undersigned makes the representations, warranties and certifications to the SBA set forth below.

[NOTE: BY EXECUTING THIS BIDDER QUALIFICATION STATEMENT, THE UNDERSIGNED CERTIFIES TO AT LEAST ONE OF THE CRITERIA IN PARAGRAPH 1 BELOW AND CERTIFIES AND/OR AGREES TO THE STATEMENTS IN PARAGRAPHS 2 THROUGH 7 BELOW.]

1. The undersigned hereby certifies, represents and warrants to the SBA that it is a substantial, sophisticated entity and that it meets one or more of the following criteria:

- (i) It is in the business of purchasing, originating, selling or owning, in the ordinary course of its business, loans (including related servicing rights) similar to the Assets being offered for sale;
- (ii) It otherwise deals, in the ordinary course of its business, in loans (including related servicing rights) identical or similar to the Assets being offered for sale;
- (iii) It is an "accredited investor," as that term is defined in Rule 501 under the Securities Act of 1933, as amended (the "Securities Act"); or
- (iv) It is a "qualified institutional buyer," as that term is defined in Rule 144A under the Securities Act.

The term "substantial, sophisticated entity" means that the undersigned, by itself or with its advisers, has such knowledge and experience in financial or business matters relating to the

purchase, sale and ownership of assets of the type being offered to be capable of evaluating the merits and risks of a purchase of the Assets and to make an informed decision with respect thereto.

2. The undersigned is a substantial, sophisticated entity that is able to bear the economic risks of a purchase of any or all of the Assets (including a total loss of its investment and the risk that it may be required to hold for an indefinite period of time any Assets that are purchased).

3. The undersigned acknowledges and agrees that, whether or not it chooses to review any information made available to it by the SBA, the undersigned has the ability and will be responsible to make its own independent investigation and evaluation of any Assets ultimately offered for sale and the economic, credit or other risks involved in an investment in any such assets, including, without limitation, the ability to resell or otherwise liquidate any such assets.

4. The undersigned hereby certifies, represents and warrants to the SBA that:

- (i) In the event that the undersigned is an offeree and purchases any of the Assets, such Assets will be acquired for investment for the account of the undersigned and not for the account of any other person or entity.
- (ii) In the event the undersigned is an offeree and purchases any of the Assets, the undersigned will not offer, pledge, sell or otherwise dispose of any such Assets (or any interest therein or evidence thereof) to, or solicit any offer to buy or accept a transfer, pledge or other disposition of any such Assets (or any interest therein or evidence thereof) from, or otherwise approach or negotiate with respect to any such Assets (or any interest therein or evidence thereof) with, any person or entity in any manner, or take any other action, that would render the disposition of any such Asset to the undersigned or the disposition by the undersigned of any such Asset (or any interest therein or evidence thereof) a violation of, the Securities Act or any other securities law (whether federal, state, local or otherwise), nor will it act, nor will it authorize any person or entity to so act, in any manner with respect to such Assets (or any interest therein or evidence thereof). The undersigned's intended use of such assets will comply with all applicable federal, state and local laws, rules, regulations and requirements, including, without limitation, any and all restrictions imposed on resale of such assets by federal and state securities or Blue Sky laws, rules, regulations and requirements.
- (iii) The undersigned understands and agrees that, with respect to the

Assets offered for sale by the SBA: (A) it is not contemplated that any filing will be made with the Securities and Exchange Commission or pursuant to the Blue Sky or securities laws of any jurisdiction, and that, if any of such assets are securities, such may not be resold or otherwise transferred by the undersigned except in accordance with any and all applicable securities and Blue Sky laws; and (B) no inference or allegation as to whether the Assets are or are not “securities” under federal or state securities laws will be drawn from or made on the basis of any of the certifications, representations or warranties made by the undersigned in this Bidder Qualification Statement for purposes of qualifying the undersigned as a Qualified Bidder.

5. The undersigned represents and warrants that it is not any of the following: (i) debarred or suspended from doing business with the SBA or any other agency of the United States Government; (ii) an employee with the SBA, a member of any such employee’s household or an entity controlled by any such employee or member of such an employee’s household; (iii) a contractor, subcontractor and/or consultant or advisor (including any agent, employee, partner, director, principal or affiliate of any of the foregoing) who will perform or has performed services for, or on behalf of, the SBA in connection with the loans included in SBA Loan Sale #3, the development of the SBA’s loan sale program or SBA Loan Sale #3; (iv) an individual that was a principal, partner, director, agent or employee of any entity or individual described in subsection (iii) above, at any time during which the entity or individual performed services for, or on behalf of, the SBA in connection with the loans included in SBA Loan Sale #3, the development of the SBA’s loan sale program or SBA Loan Sale #3; or (v) an individual or entity that has used or will use the services, directly or indirectly, of any person or entity ineligible under any of subsections (i) through (iv) above to assist in the preparation of any of its bids in connection with SBA Loan Sale #3.

6. The undersigned represents and warrants that, if it is an entity, it has full power and authority to deliver this Bidder Qualification Statement, that the individual executing this Bidder Qualification Statement has full authority to do so on behalf of the undersigned and all principals thereof identified below, and that, to the best of such individual’s knowledge, all information provided is true, complete and correct. The undersigned further understands that this Bidder Qualification Statement is being furnished to confirm to the SBA that the undersigned is a Qualified Bidder.

7. The undersigned acknowledges and agrees that the SBA has the right to request additional or updated information at any time and, in its sole discretion, to refuse to qualify any prospective bidder who, in the SBA’s sole judgment, does not have the requisite knowledge and experience to enable such prospective bidder to evaluate the merits and risks of an investment in and to make an informed investment decision with respect to the Assets offered for sale. In addition, the undersigned also authorizes, and has the authority to authorize, the SBA, its employees, representatives, agents and contractors, to conduct credit and other investigations of the undersigned and all principals identified below through appropriate third-

party reporting agencies.

IN WITNESS WHEREOF, the undersigned has duly executed this Bidder Qualification Statement.

NOTICE: Anyone who knowingly or willfully makes false or fraudulent statements or representations herein will be referred to the Office of the Inspector General and/or the appropriate law enforcement officials for investigation and legal enforcement, and may be subject to fines, imprisonment or both. See 18 U.S.C. §§ 1001 *et seq.*

If Prospective Bidder is a Corporation seeking to qualify on basis of equity owner status or a Partnership, Joint Venture, Limited Liability Entity or Trust -- List Principals and Identify Interest of Each Principal in Prospective Bidder (Please Type or Print):

Name of Prospective Bidder (Individual, Partnership, Joint Venture, Trust, Limited Liability Entity or Corporation) (Please Type or Print)

Signature of Individual, General Partner, Trustee or Officer

Name and Title of General Partner, Trustee or Officer (Please Type or Print)

Date Signed

Address of Prospective Bidder:

Telephone: _____

Facsimile: _____

(Please Type or Print)